

Meeting Date: 08-19-08

AGENDA REPORT

City of Santa Clara, California

Agenda Item # 7A.11



Date: July 31, 2008

To: City Manager for Council Action
Executive Director for Redevelopment Agency Action

From: Housing & Community Services Division Manager

Subject: Loan Agreement for Casa Del Maestro Apartments Phase II Project (3445-3465 Lochinvar Avenue) between the Redevelopment Agency and Santa Clara Unified School District and City and Agency Resolutions Finding Benefit by the use of the Affordable Housing Set-Aside Fund

EXECUTIVE SUMMARY:

A Loan Agreement and City/Agency Resolutions, prepared by Agency special legal counsel, have been executed by the Santa Clara Unified School District for an affordable housing development loan of \$1,920,933 to construct the Casa Del Maestro Apartments Phase II Project. The Project is a 30-unit apartment facility, located on District land at 3445-3465 Lochinvar Avenue, that will provide affordable housing for District personnel. According to the terms of the Loan Agreement, the Agency Loan will be used for construction financing in return for restricting twenty apartments as affordable to low-income households at an affordable rent. The restriction shall apply for 55 years. Resolutions making findings of benefit to the Redevelopment Project Area, as required for provision of Agency funding commitment to the project, have been prepared for Council and Agency approval.

The Loan Agreement will be available in the Council Office for review.

ADVANTAGES AND DISADVANTAGES OF ISSUE:

The Agency's funding assistance will assure the long-term affordability of twenty apartments for low-income households. The Agency's financial support for the project provides a secondary benefit to the community's schools by making local housing available for teachers.

ECONOMIC/FISCAL IMPACT:

Fiscal year 2008/09 total funding appropriation for this project is \$1,920,933 (account 910-5545-80XXX-9171) from the Agency Affordable Housing Set-Aside Fund. The recommendation will commit the full funding appropriation.

RECOMMENDATION:

That the Council and Agency adopt their respective Resolution making findings of benefit by this use of the Affordable Housing Set-Aside Fund, and that the Agency approve the Loan Agreement for Casa Del Maestro Apartments Phase II Project (3445-3465 Lochinvar Avenue) with the Santa Clara Unified School District and authorize its execution by the Executive Director.

To: City Manager for Council Action
Executive Director for Redevelopment Agency Action
Subject: Loan Agreement for Casa Del Maestro Apartments Phase II (3445-3465 Lochinvar Avenue)
between the Redevelopment Agency and Santa Clara Unified School District and
Resolutions Finding Benefit to the City and Agency
Date: July 31, 2008
Page: 2 of 2

Certified as to Availability of Funds:

910-5545-80XXX-9171 \$ 1,920,933.00

on
file

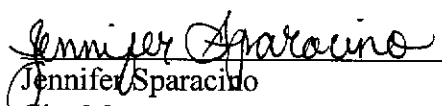

Jeffrey B. Pedersen
Housing & Community Services Division Manager


Mary Ann Parrot
Agency Treasurer

APPROVED:

APPROVED:

 
Kevin L. Riley
Director of Planning & Inspection


Jennifer Sparacino
City Manager
Agency Executive Director

Documents Related to this Report:

- 1) ***City/Agency Resolutions Making Findings with Respect to the Loan Agreement with SCUSD;***
- 2) ***Loan Agreement for Casa Del Maestro Apartment Project between Agency and SCUSD***

F:\ARDA Hous Develop\SCUSD Teacher Hous Phase 2\2008 loan agmt\Agda Rpt Loan Agmt 8-19-08

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SANTA CLARA, CALIFORNIA, MAKING CERTAIN FINDINGS
WITH RESPECT TO A LOAN AGREEMENT BETWEEN THE
REDEVELOPMENT AGENCY OF THE CITY OF SANTA
CLARA AND THE SANTA CLARA UNIFIED SCHOOL
DISTRICT**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SANTA CLARA,
CALIFORNIA, AS FOLLOWS:**

WHEREAS, the City Council of the City of Santa Clara has heretofore adopted the Redevelopment Plan for the Bayshore North Redevelopment Project on December 28, 1973 by Ordinance No. 1283 (the "Redevelopment Plan"); and

WHEREAS, pursuant to Sections 33334.2(a) and 33334.6(c) of the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*) not less than 20% of all taxes which are allocated to the Redevelopment Agency of the City of Santa Clara ("Agency") are set aside by the Agency in a Low and Moderate Income Housing Fund and used by the Agency for the purpose of increasing, improving and preserving the community's supply of low and moderate housing available at affordable housing costs to persons and families of low and moderate income, including low income persons; and

WHEREAS, pursuant to Section 33334.2(e) of the Community Redevelopment Law, the Agency may exercise any and all of its powers to carry out this purpose; and

WHEREAS, pursuant to Section 33334.6(a) of the Community Redevelopment Law, the California State Legislature has found and declared that the provision of affordable housing outside of redevelopment project areas can be of direct benefit to those projects in assisting the accomplishment of project objectives; and

WHEREAS, pursuant to Section 33334.2(g) of the Community Redevelopment Law, the Agency may use monies in the Low and Moderate Income Housing Fund to assist in the provision of housing for low income households outside the Redevelopment Project area upon resolution of the City Council and the Agency that such use will be of benefit to the Redevelopment Project; and

WHEREAS, the Santa Clara Unified School District (the "District") has requested the assistance of the Agency in paying a portion of the development costs for the construction of 30 units of rental housing in the City of Santa Clara outside the Redevelopment Project, 20 of which units are to be occupied by and affordable to low income households, and known as the Casa Del Maestro Apartments, Phase II (the "Project"); and

WHEREAS, the District and Agency have negotiated a proposed Loan Agreement (the Agreement"); and

WHEREAS, the Agency has determined that sufficient funds are available in the Low and Moderate Income Housing Fund to provide financial assistance to the Project as described in the Agreement; and

WHEREAS, this City Council has duly considered all of the terms and conditions of the proposed Agreement and believes that the proposed Agreement is in the best interests of the City and the health, safety, morals and welfare of its residents, and in accord with the public purposes and provisions of applicable State and local laws and requirements.

NOW THEREFORE, BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF THE CITY OF SANTA CLARA, CALIFORNIA, AS FOLLOWS:

1. That the City Council hereby finds that the foregoing recitals are true and correct.
2. That the City Council hereby finds and determines that the use of monies in the Low and Moderate Income Housing Fund pursuant to the Agreement will provide housing opportunities for low income persons.

3. That the City Council finds and determines, based on the information set forth in Attachment No. 1 to this Resolution, which is incorporated herein by this reference, that the use of monies in the Low and Moderate Income Housing Fund as authorized by this Resolution will be of benefit to the Redevelopment Project.

4. Constitutionality, severability. If any section, subsection, sentence, clause, phrase, or word of this resolution is for any reason held by a court of competent jurisdiction to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of the resolution. The City Council of the City of Santa Clara hereby declares that it would have passed this resolution and each section, subsection, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more section(s), subsection(s), sentence(s), clause(s), phrase(s), or word(s) be declared invalid.

5. Effective Date. This Resolution shall become effective immediately.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE _____ DAY OF _____, 2008, BY THE FOLLOWING VOTE:

AYES: COUNCILORS:

NOES: COUNCILORS:

ABSENT: COUNCILORS:

ABSTAINED: COUNCILORS:

ATTEST: _____
ROD DIRIDON, JR.
CITY CLERK
CITY OF SANTA CLARA

Attachment Incorporated by Reference

1. Benefit to the Redevelopment Project Area

ATTACHMENT NO. 1

Benefit to the Redevelopment Project Area

The use of monies from the Low and Moderate Income Housing Fund of the Bayshore North Redevelopment Project (the "Redevelopment Project") for the partial financing and development of twenty (20) affordable rental dwelling units in the Project will be of benefit to the Redevelopment Project, as follows:

The Redevelopment Plan for the Bayshore North Redevelopment Project restricts the land uses in the Redevelopment Project Area to non-residential uses. Accordingly, there are no opportunities to develop affordable housing in the Bayshore North Project. In Section 33334.6 of the California Health and Safety Code, the State Legislature has found and declared that the provision and improvement of affordable housing outside of the redevelopment areas can be of direct benefit to those projects in assisting the accomplishment of the project objectives whether or not those redevelopment projects provide for housing within the project area. By providing affordable housing for low income households in the City of Santa Clara, the Project will benefit the Redevelopment Project by providing affordable housing for a segment of the population of the City of Santa Clara in need of affordable housing, and by providing and enhancing the physical, economic and social conditions needed to prevent the recurrence of blight in the Redevelopment Project and elsewhere in the City of Santa Clara.

CITY OF SANTA CLARA

AGENDA MATERIAL ROUTE SHEET

Council Date: August 19, 2008

SUBJECT: Loan Agreement for Casa Del Maesstro Phase II Project with Santa Clara Unified School

District and Resolutions Finding Benefit to the City and Agency

CERTIFICATION

The proposed RDA Loan Agreement

Regarding a \$1,920,933 loan for construction financing for the Phase 2 teacher housing project where

twenty (20) apartments will be restricted as affordable for low-income households over 55 years

has been reviewed and is hereby certified.

PUBLICATION REQUIRED: N/A

The attached Notice/Resolution/Ordinance is to be published _____ time(s) at least _____ days before the scheduled meeting/public hearing/bid opening/etc., which is scheduled for _____, 200__.

AUTHORITY SOURCE FOR PUBLICATION REQUIREMENT: N/A

Federal Codes:

Title _____ U.S.C. § _____
(Titles run 1 through 50)

California Codes:

Code _____ § _____
(i.e., Government, Street and Highway, Public Resources)

Federal Regulations:

Title _____ C.F.R. § _____
(Titles run 1 through 50)

California Regulations:

Title _____ California Code of Regulations § _____
(Titles run 1 through 28)

City

City Charter § _____ (i.e., 1310. Public Works Contracts. Notice published at least once at least ten days before bid opening)

City Code § _____

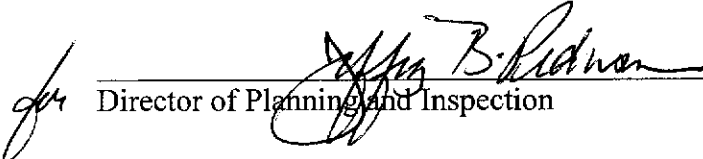
1. As to City Functions, by


Department Head

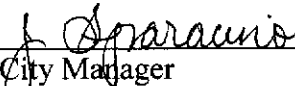
2. As to Legality, by


City Attorney's Office 08.09.08

3. As to Environmental
Impact Requirements, by


Director of Planning and Inspection

4. As to Substance, by


City Manager